



COMMISSION
AGENDA MEMORANDUM
BRIEFING ITEM

Item No.	<u>11c</u>
Date of Meeting	<u>March 8, 2022</u>

DATE: February 18, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Eric Schinfeld, Sr. Manager, Federal and International Government Relations
Melissa Parks, Government Relations Policy Analyst

SUBJECT: Update on the Port's Efforts Related to the Infrastructure Investment and Jobs Act

EXECUTIVE SUMMARY

On November 15, 2021, President Biden signed the bipartisan Infrastructure Investment and Jobs Act (IIJA) into law. This 8-year, \$1.2 trillion investment (\$550 billion in new money) is a historic opportunity to not only support key Port and regional "hard infrastructure" needs but also address sustainability, equity, and community benefits in a wide variety of ways. To achieve these goals, Port staff will need to work aggressively and proactively to secure a maximum amount of this funding for local projects.

Port staff think about IIJA funding opportunities in essentially five buckets:

- 1) Funds dedicated for airports and seaports, either via allocation formula (like some airport dollars) or competitive grants;
- 2) Funds that ports are eligible to compete for, such as certain transportation dollars or electric vehicle infrastructure grants;
- 3) Funds that Port partners are eligible to apply for which have benefits to the Port, such as state road projects that improve freight mobility or Seattle City Light projects that could support the waterfront clean energy strategy;
- 4) Funds that Port partners are eligible to apply for which would further the Port's community goals, such as money for Highline Schools to purchase electric school buses or improve school indoor air quality; and
- 5) Funds that do not support Port goals, which staff will not pursue or engage with others on.

For categories one and two, Port staff will focus on grant writing (either directly or in partnership with the Northwest Seaport Alliance/NWSA); for categories three and four, Port staff will provide technical assistance as well as letters of support. Notices of funding opportunity (NOFOs) and other grant details are only just beginning to be released by the Biden Administration, and so there is a significant amount of information yet to be known about eligibility, timing, and potential fit for Port projects. One final note is that some dollars will come not directly from the federal government, but rather through allocation processes from the state and the Puget Sound Regional Council; and so, Port engagement with partners at those jurisdictions is important to maximize opportunities for funding.

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At the Commission’s March 8 meeting, staff will share information available to-date about potential grant opportunities, as well as next steps.

IJA KEY OPPORTUNITIES

Broad categories of funding in the IJA are as follows:

- Roads and Bridges – \$110 billion
- Passenger and Freight Rail – \$66 billion
- Safety – \$11 billion
- Public Transit – \$39.2 billion
- Broadband – \$65 billion
- Ports and Waterways – \$16.6 billion
- Airports/FAA – \$25 billion
- Water Infrastructure – \$55 billion
- Power and Grid – \$65 billion
- Resiliency – \$47.2 billion
- Addressing Legacy Pollution – \$21 billion
- Western Water Infrastructure – \$8.3 billion
- Clean School Buses and Ferries – \$7.5 billion
- Electric Vehicle Charging – \$7.5 billion
- Reconnecting Communities – \$1 billion

The White House has released “A Guidebook to the Bipartisan Infrastructure Law for State, Local, Tribal and Territorial Governments, and Other Partners,” which includes a detailed description of each funding category: https://www.whitehouse.gov/wp-content/uploads/2022/01/BUILDING-A-BETTER-AMERICA_FINAL.pdf. Of particular note:

I. Port-specific dollars

A. Airport Funding

(1) \$15 billion for airport infrastructure grants distributed by formula:

- a. Over the five-year period, Seattle-Tacoma International Airport (SEA) will be eligible to apply for reimbursement for an estimated ~\$240 million in eligible projects. Airports will be allowed to use these funds for any Passenger Facility Charge (PFC) eligible projects, except debt service.
- b. Additional details are expected to be released in May, but all potential projects must be included in the airport’s 5-year Capital Improvement Program (CIP) by March 11 to be considered eligible for funding.

(2) \$5 billion for a new “airport terminal program” distributed via competitive grants.

- a. 55% of these funds are to be reserved for large hubs like SEA to compete for. The legislation describes the goals of the program as “terminal projects that increase capacity, improve passenger access, replace aging infrastructure, increase energy efficiency, expand accessibility for persons with disabilities, and improve airport access for historically disadvantaged populations.”

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- b. Eligible capital improvements include terminal gates; access roads servicing exclusively airport traffic that leads directly to or from an airport passenger terminal building; walkways that lead directly to or from an airport passenger terminal building; multimodal terminal development; and projects for on-airport rail access projects.
- c. Additional details were included in the February 22 notice of funding opportunity.

B. Seaport and Maritime Funding

This funding falls into several major categories:

- (1) Army Corps of Engineers – including \$4 billion for operations and maintenance, \$2.5 billion for inland waterways and \$1.5 billion for rivers and harbors;
- (2) Port Infrastructure Development Program/PIDP (\$2.25 billion);
- (3) Reduction of Truck Emissions at Port Facilities - \$400 million for competitive grants to reduce truck idling and emissions at ports, including through the advancement of port electrification.
- (4) Land Ports of Entry Modernization and Construction Program (\$3.85 billion);
- (5) Other programs (\$1.2 billion) – including the America’s Marine Highways program, which will receive \$25 million.

For the Port of Seattle/NWSA, the main funding the Port can directly apply for is PIDP; as a reminder, NWSA received a \$15,730,000 PIDP grant in January for an Off-Dock Container Support Facility (from existing funds, not IJIA dollars). PIDP is mainly focused on cargo and goods movement, and so there are limited opportunities for the Port of Seattle homeport directly; however, these funds can be used for electrification and workforce development, and so staff will continue to develop potential projects for application.

It is also worth noting that the Army Corps has announced its proposed IJIA fund uses for FY22 (the current federal fiscal year), which includes \$10.8 million for the Lake Washington Ship Canal to “replace small lock machinery and controls system.” Of note, the Seattle Harbor will not be ready for new Army Corps construction funds until the design phase is completed; the Army Corps’ Tacoma Harbor study is already fully funded, and is not eligible for design or construction funding until being authorized in the next Water Resources Development Act.

II. Non-Port-specific dollars

There are a wide variety of grants that may be relevant to the Port, its partners, and its surrounding jurisdictions. Examples of potential opportunities include:

- (1) \$7.5 billion for Rebuilding American Infrastructure Sustainably and Equitably (RAISE) grants—a competitive grant program (formerly BUILD and TIGER) which provides funding for road, rail, transit, and other surface transportation of local and/or regional significance. Selection criteria includes safety, sustainability, equity, economic competitiveness, mobility, and community connectivity.
- (2) \$7.25 billion for The Nationally Significant Freight & Highway Projects program, also known as “INFRA”, which awards competitive grants for multimodal freight and highway projects of national or regional significance to improve the safety, efficiency, and reliability of the movement of freight and people in and across rural and urban areas.

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- (3) \$5 billion for the National Infrastructure Project Assistance Program, which will support large, complex projects that are difficult to fund by other means and likely to generate national or regional economic, mobility, or safety benefits. Projects eligible under the Megaprojects program include a highway or bridge project carried out on the National Multimodal Freight Network; a freight intermodal (including public ports) or freight rail project that provides a public benefit; and a railway-highway grade separation or elimination project.
- (4) Electric Vehicle Infrastructure Funding, which falls into five major programs: a. National Electric Vehicle Infrastructure Formula Program (\$5 billion); b. National Electric Vehicle Infrastructure Grant Program (\$2.5 billion); c. Clean School Bus Program (\$5 billion); d. Low- and No-Emission transit bus Program (\$5.6 billion); and e. Electric or Low Emitting Ferry Program (\$250 million) for a total of over \$18 billion in investments to reduce emissions through the electrification of vehicles.
- (5) Regional Clean Hydrogen Hubs: \$8 billion to support the development of at least 4 regional clean hydrogen hubs to improve clean hydrogen production, processing, delivery, storage, and end use.

NEXT STEPS

As NOFOs and other grant criteria are released by federal agencies, Port staff will evaluate each for potential Port relevancy, reach out to appropriate regional and state partners and apply/support applications as appropriate. In the meantime, Port staff are taking three main steps:

- (1) Proactively reaching out to external partners to better understand their IJJA priorities and where opportunities for collaboration may exist.
- (2) Engaging with internal Port leadership to understand current infrastructure priorities and timelines.
- (3) Developing a tracking matrix of grants, projects, timelines, and partners for use.

Staff will continue to update Port Commissioners and executive leadership on this topic regularly as more information becomes available.

ATTACHMENTS TO THIS PRESENTATION -

- (1) IJJA funding opportunity tracking spreadsheet
- (2) Competitive Infrastructure Funding Opportunities for Local Governments fact sheet
- (3) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None.